

# Report for Congress

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## **Kosovo and U.S. Policy**

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# Kosovo and U.S. Policy

## Summary

In 1998 and 1999, the United States and its NATO allies attempted to put an end to escalating violence between ethnic Albanian guerrillas and Yugoslav/Serb forces in Yugoslavia's Kosovo region. They were outraged by Serb atrocities against ethnic Albanian civilians, and feared that the conflict could drag in other countries and destabilize the region. These efforts culminated in a 78-day NATO bombing campaign against Serbia from March to June 1999. Yugoslav leader Slobodan Milosevic withdrew his forces from the province in June 1999. Since that time, Kosovo has been governed by a U.N. Mission in Kosovo (UNMIK), under the terms of U.N. Security Council Resolution 1244. At an undetermined time after an autonomous government is in place, Kosovo's final status is to be considered. Almost all ethnic Albanians want independence for Kosovo; Serbs say it should remain within Serbia. The NATO-led peacekeeping force KFOR is charged with providing a secure environment for the implementation of UNSC Resolution 1244.

In May 2001, UNMIK issued a "Constitutional Framework" for Kosovo. The Constitutional Framework provides for an elected legislature and an autonomous government with limited powers, but does not deal with Kosovo's final status. Elections for the Kosovo assembly were held on November 17, 2001. About half of eligible Serb voters participated in the vote, after being urged to do so by the Yugoslav and Serbian governments. Political wrangling delayed the formation of a government for months, but one was finally approved by the parliament in March 2002. It consists of members of the three leading ethnic Albanian parties, as well as a Serb minister and one from a non-Serb minority.

Bush Administration officials have said that they support autonomy for Kosovo within Serbia or the Serbia-Montenegro union, but not independence. President Bush has said that, while the United States is looking to reduce its forces in the Balkans, the United States would only do so in conjunction with its NATO allies. After the September 11, 2001 terrorist attacks in the United States, Administration officials said that U.S. forces in the Balkans could be withdrawn if they were needed for the war on terrorism. The United States has not unilaterally withdrawn its troops, but in June 2002 NATO agreed to cut the number of troops in KFOR by nearly 25%. This would translate into a withdrawal of roughly 1,300 U.S. troops of its force of about 5,500.

In 1999, Congress explicitly approved nor blocked U.S. participation in NATO air strikes against Serbia, but appropriated funds for the air campaign and the U.S. peacekeeping deployment in Kosovo. In 2000, several Members unsuccessfully attempted to condition the U.S. military deployment in Kosovo on congressional approval and on the implementation of aid pledges made by European countries. Since 1999, Congress has provided funding for reconstruction in Kosovo, but limited U.S. aid to 15% of the total amount pledged by all countries. This report will be updated as events warrant.

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# Kosovo and U.S. Policy

## Most Recent Developments

*Kosovo held local elections on October 26, 2002, for the second time since the end of the war. Turnout for the vote was 54%, lower than in the previous two elections. Observers attribute the low turnout to disillusionment with the performance of the government and political parties in Kosovo. The Democratic League of Kosovo (LDK in Albanian) confirmed its status as the leading party in Kosovo, but lost ground compared to previous elections. The LDK won 45% of the vote, the Democratic Party of Kosovo (PDK), a party formed from the former Kosovo Liberation Army, won 29%. Another significant, although smaller, ex-KLA group, the Alliance for the Future of Kosovo (AAK), won 8.5%. Serb turnout was particularly low, at about 20%. Almost no Serbs voted in the troubled northern town of Mitrovica, where local authorities intimidated potential voters. These results may indicate continuing Serb dissatisfaction with their situation in Kosovo. UNMIK officials said they were generally satisfied with the vote, but expressed disappointment with low Serb turnout, adding that it could complicate efforts to decentralize power in the province.*

*In November 2002, after the failure of municipal elections in Serb-controlled north Mitrovica, UNMIK (with the agreement of the Serbian government) took over control of the area, dissolving parallel Serb institutions there and removing roadblocks that had divided it from ethnic Albanian-controlled areas of the city. The Serbian government has pledged to stop funding the parallel institutions.*

## Introduction

In 1998 and 1999, the United States and its NATO allies attempted to put an end to escalating violence between ethnic Albanian guerrillas and Yugoslav forces in the Federal Republic of Yugoslavia's Kosovo region. They were outraged by Serb atrocities against ethnic Albanian civilians, and feared that the conflict could drag in other countries and destabilize the region. These efforts culminated in a 78-day NATO bombing campaign against Serbia from March to June 1999. Yugoslav leader Slobodan Milosevic agreed to withdraw his forces from the province in June 1999, clearing the way for the deployment of U.S. and other NATO peacekeepers. While NATO's action ended Milosevic's depredations in Kosovo, it has left U.S. and other Western policymakers with many difficult issues to deal with. These include creating the conditions for the resumption of a normal life in Kosovo, including setting up an autonomous government and reconstruction of the province, as well as dealing with the thorny issue of Kosovo's final status. Additional challenges emerged after the deployment, including the rise of ethnic Albanian guerrilla movements in southern Serbia and Macedonia, which threatened to destabilize the region before they were dismantled in 2001.

U.S. engagement in Kosovo has been controversial. Proponents of engagement say that instability in Kosovo could have a negative impact on the stability of the Balkans and therefore of Europe as a whole, which they view as a vital interest of the United States. They believe instability in the region could produce an environment favorable to organized crime and terrorism. In addition, they claim that such instability could deal a damaging blow to the credibility and future viability of NATO and Euro-Atlantic cooperation. They say the involvement of the United States is critical to ensuring this stability, because of its resources and political credibility.

Critics, including some in Congress, say that the situation in Kosovo does not have as large an impact on vital U.S. interests as other issues, particularly the war on terrorism in the wake of the September 11 terrorist attacks on the United States and a possible war with Iraq. They say that the Kosovo mission harms the readiness of U.S. forces to deal with these more important contingencies. They see the mission in Kosovo as an ill-advised, open-ended exercise with unclear objectives. They call on European countries to take on the whole burden of the peacekeeping mission. Both congressional advocates and opponents of U.S. engagement insist that the Europeans pay the lion's share of reconstruction aid to Kosovo. Reflecting increased international focus on the global anti-terrorism campaign, there appears to be growing interest in establishing a roadmap for "finishing the job," including an eventual "exit strategy" for the international civil and military administration of Kosovo.

## War in Kosovo: February 1998-June 1999

Although the war in Kosovo had deep historical roots, its immediate causes can be found in the decision of Milosevic regime in Serbia to eliminate the autonomy of its Kosovo province in 1989. The regime committed widespread human rights abuses in the following decade, at first meeting only non-violent resistance from the province's

ethnic Albanian majority. However, in 1998 ethnic Albanians calling themselves the Kosovo Liberation Army began attacks on Serbian police and Yugoslav army troops. The Milosevic regime responded with increasingly violent and indiscriminate repression. From February 1998 until March 1999, conflict between the ethnic Albanian Kosovo Liberation Army (KLA) and Serb forces (as well as Serb attacks on ethnic Albanian civilians) drove over 400,000 people from their homes and killed more than 2,500 people.

### Kosovo At a Glance

**Area:** 10,849 sq. km., or slightly smaller than Connecticut

**Population:** 1.956 million (1991 Yugoslav census)

**Ethnic Composition:** 82.2% Albanian; 9.9% Serbian. Smaller groups include Muslims, Roma, Montenegrins, Turks and others. (1991 Yugoslav census)

The United States and other Western countries used sanctions and other forms of pressure to try to persuade Milosevic to cease repression and restore autonomy to Kosovo, without success. The increasing deterioration of the situation on the ground

led the international Contact Group (United States, Britain, France, Germany, Italy and Russia) to agree on January 29, 1999 on a draft peace plan for Kosovo. They invited the two sides to Rambouillet, near Paris, to start peace talks based on the plan on February 6. As an inducement to the parties to comply, on January 30 the North Atlantic Council agreed to authorize NATO Secretary-General Javier Solana to launch NATO air strikes against targets in Serbia, after consulting with NATO members, if the Serb side rejected the peace plan. NATO said it was also studying efforts to curb the flow of arms to the rebels. The draft peace plan called for 3-year interim settlement that would provide greater autonomy for Kosovo within Yugoslavia, and the deployment of a NATO-led international military force to help implement the agreement. On March 18, 1999, the ethnic Albanian delegation to the peace talks signed the plan, but the Yugoslav delegation rejected it.

NATO began air strikes on the Federal Republic of Yugoslavia on March 24, 1999. Yugoslav forces moved rapidly to expel most of Kosovo's ethnic Albanians from their homes, many of which were looted and burned. A December 1999 State Department report estimated the total number of refugees and displaced persons at over 1.5 million, over 90% of Kosovo's ethnic Albanian population. The report says that Yugoslav forces killed about 10,000 ethnic Albanians, and abused, tortured and raped others. After 78 days of increasingly intense air strikes that inflicted damage on Yugoslavia's infrastructure and its armed forces, President Milosevic agreed on June 3 to a peace plan based on NATO demands and a proposal from the Group of Eight countries (the United States, Britain, France, Germany, Italy, Canada, Russia and Japan). It called for the withdrawal of all Yugoslav forces from Kosovo; the deployment of an international peacekeeping force with NATO at its core; and international administration of Kosovo until elected interim institutions are set up, under which Kosovo will enjoy wide-ranging autonomy within Yugoslavia. Negotiations would be eventually be opened on Kosovo's final status.

On June 9, 1999, NATO and Yugoslav military officers concluded a Military Technical Agreement governing the withdrawal of all Yugoslav forces from Kosovo. On June 10, the U.N. Security Council approved UNSC Resolution 1244, based on the international peace plan agreed to by Milosevic. KFOR began to enter Kosovo on June 11. The Yugoslav pullout was completed on schedule on June 20. On June 20, the KLA and NATO signed a document on the demilitarization of the KLA. (For historical background to the conflict in Kosovo, see CRS Report RS20213, *Kosovo: Historical Background to the Current Conflict*. For chronologies of the conflict in Kosovo, see *Kosovo Conflict Chronology: January-August 1998*, CRS Report 98-752 F; *Kosovo Conflict Chronology: September, 1998—March, 1999*, CRS Report RL30127; and the daily Kosovo Situation Reports collections for April (CRS Report RL30137), May (CRS Report RL30156), and June 1999 (CRS Report RL30191).

Within weeks of the pullout of Yugoslav forces from Kosovo and the deployment of NATO-led peacekeeping force KFOR, the overwhelming majority of ethnic Albanian refugees returned to their homes. At the same time, over 200,000 ethnic Serbs and other minorities living in Kosovo left the province, according to the U.N. High Commissioner for Refugees. International officials estimate the number of Serbs living in Kosovo at about 100,000. Many of the Serbs remaining in the province live in northern Kosovo, many in or near the divided town of Mitrovica. The rest are scattered in isolated enclaves in other parts of the province, protected by

KFOR troops. A key reason for the departures is violence and intimidation by ethnic Albanians. Kosovo Serbs say that since the pullout of Yugoslav forces, over 1,100 were killed and over 1,000 are missing. Hundreds of houses of Serb refugees have been looted and burned.

## **Current Situation in Kosovo**

Since June 1999, Kosovo has been ruled by the U.N. Mission in Kosovo (UNMIK), currently headed by Michael Steiner of Germany. According to U.N. Security Council Resolution 1244, UNMIK is tasked with gradually transferring its administrative responsibilities to elected, interim autonomous government institutions, while retaining an oversight role. In a final stage, UNMIK will oversee the transfer of authority from the interim autonomous institutions to permanent ones, after Kosovo's final status is determined.

Kosovo took the first steps in establishing its own elected institutions on October 28, 2000, when OSCE-supervised municipal elections were held. Most of the parties running in the election differed little from each other on ideological grounds, and are based more on personal loyalties and clan and regional affiliations. The biggest of several parties to be formed from the ex-KLA is the Democratic Party of Kosovo (PDK), headed by Thaci. Another significant, although smaller, ex-KLA group is the Alliance for the Future of Kosovo (AAK), led by Ramush Haradinaj. A third key political force in the province is Democratic League of Kosova (LDK), headed by Ibrahim Rugova.

The LDK was by far the ethnic Albanian largest party before the war, but it began to lose ground after what some ethnic Albanians viewed as a passive stance during the war. However, the behavior of some ex-KLA leaders since the war, including organized crime activity and violence against ethnic Albanian political opponents, resulted in an improvement in the "more civilized" LDK's standing. The LDK won 58% of the vote province-wide, the PDK 27.3%, the AAK, 7.7%. Kosovo Serbs boycotted the vote, charging that UNMIK and KFOR have been ineffective in protecting them from ethnic Albanian violence. They claimed that UNMIK and KFOR are working toward the establishment of an independent Kosovo, which they oppose.

After consultation with local leaders, UNMIK issued a Constitutional Framework for Provisional Self-Government in Kosovo in May 2001. The Constitutional Framework calls for the establishment of a 120-seat legislature, which will elect a President and a Prime Minister. Twenty seats were reserved for ethnic minorities, including 10 for Serbs, but Serbs do not have a veto power on laws passed by the ethnic Albanian majority in the body. UNMIK retains oversight or control of policy in many areas, including law enforcement, the judiciary, protecting the rights of communities, monetary and budget policy, customs, state property and enterprises, and external relations. UNMIK can invalidate legislation passed by the parliament if it is in conflict with U.N. Security Council Resolution 1244. KFOR remains in charge of Kosovo's security. The Constitutional Framework does not address the question of Kosovo's final status.



Leaders of ethnic Albanian parties voiced disappointment that the document did not allow for a referendum to decide Kosovo's final status. They also said that the Constitutional Framework gives Kosovars the illusion of self-rule rather than the reality, since it reserves many key powers for UNMIK. Kosovo Serb leaders condemned the Constitutional Framework, saying it paved the way for Kosovo's independence and did not contain a mechanism to prevent the ethnic Albanian-dominated legislature from abusing the rights of Serbs.<sup>1</sup>

On November 17, 2001, voters in Kosovo and displaced persons residing outside of the province went to the polls to select the Assembly. The moderate Democratic League of Kosovo (LDK in Albanian) won 47 seats. The nationalist Democratic Party of Kosovo (PDK), the largest party formed from the former Kosovo Liberation Army, won 26 seats. Return, a coalition of Serbian parties, won 22 seats. The Alliance for the Future of Kosovo (AAK), an ex-KLA party that has tried to position itself as a pragmatic force, won 8 seats. Four small ethnic Albanian parties won one seat each. The remaining 13 seats were won by parties representing the Bosniak, Turkish and Roma communities.

In contrast to their boycott of the 2000 local elections, Kosovo Serbs turned out in substantial numbers to vote in the November 2001 legislative elections. Turnout in Serb-majority areas was about 47%, according to the OSCE, while turnout in Serbia and Montenegro was about 57%. (This compares with a turnout of about 67% in Albanian-majority areas). Serb turnout may have been depressed by conflicting messages from Serb leaders. In the months leading up to the vote, Yugoslav and Serbian leaders in Belgrade condemned UNMIK and KFOR's ineffectiveness in protecting Serbs in Kosovo and criticized the Constitutional Framework and the planned elections. However, after reaching a November 5, 2001 agreement with UNMIK, they called for Kosovo Serbs to vote. Nevertheless, some Kosovo Serbs continued to call for a boycott, saying that Serb participation would legitimize Kosovo institutions that would eventually lead to independence from Yugoslavia. OSCE observers noted some efforts by boycott supporters to intimidate potential voters, especially in Serb-controlled northern Kosovo.

After months of political wrangling, the Assembly chose a President and a government in March 2002. LDK leader Ibrahim Rugova was elected as President. Kosovo's Prime Minister is Bajram Rexhepi of the PDK. The government consists of members of the LDK, PDK and AAK. One cabinet post is reserved for a Kosovo Serb representative and another for a member of a non-Serb minority group. The Kosovo Serbs initially refused to join the government, saying they wanted greater representation, but finally agreed to do so in May 2002, after Steiner agreed to appoint a Kosovo Serb as an advisor on refugee returns.

Kosovo held its second local elections on October 26, 2002. Turnout for the vote was 54%, lower than in the previous two elections. Observers attribute the low turnout to disillusionment with the performance of the government and political parties in Kosovo. The LDK confirmed its status as the leading party in Kosovo, but

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<sup>1</sup> The text of the constitutional framework can be found at [http://www.un.org/peace/kosovo/pages/regulations/constitframe.htm]

lost ground compared to previous elections. The LDK won 45% of the vote, the PDK 29%, and the AAK 8.55%. Serb turnout was particularly low, at about 20%. Almost no Serbs voted in the troubled northern town of Mitrovica, where local authorities intimidated potential voters. Among those Serbs who did vote in the elections, the moderate Povratak (Return) coalition did poorly, while hard-line parties did well. These results may indicate continuing Serb dissatisfaction with their situation in Kosovo, and with the failure of Serb moderates to improve it.

Kosovo's area of greatest violence since NATO's deployment has been the northern town of Kosovska Mitrovica, which is divided between the Serb-controlled north and the Albanian-controlled south on either side of the Ibar river. The Serbs demand the town's partition and recognition of a Serb-controlled municipality, while the Albanians call for UNMIK to unite the town and end the Serbs' armed blockade of the bridge separating the two sections. UNMIK and KFOR have largely tolerated the town's division, in the interest of preventing conflict, and have not tried to establish U.N. authority over northern Mitrovica by force. Tensions on the Serb side have recently flared up in response to UNMIK arrests of some of the self-designated Serb "bridge watchers," with numerous demonstrations and protest rallies taking place. Mitrovica remains the area of Kosovo most likely to explode into renewed violent conflict. The challenge for UNMIK and the interim Kosovo government is to eliminate Mitrovica's parallel administrative and security structures, while providing for the security needs of the town's Serb inhabitants.

In November 2002, after the failure of municipal elections in north Mitrovica, UNMIK, with the agreement of the Serbian government, took over control of Serb-controlled north Mitrovica, dissolving the parallel Serb institutions, permitting the removal of the blockades, and the extension of the jurisdiction of Kosovo's police force to the area. The Serbian government has pledged to stop funding the parallel institutions. However, ethnic Albanians have expressed concerns that the deal will not truly reunite the city, since the jurisdiction of the ethnic Albanian-controlled city council will not extend there, the local administration in north Mitrovica will likely be filled with Serbs previously employed by the parallel institutions, and refugees are not guaranteed a speedy return to their homes.

Another important issue in Kosovo has been the status of ethnic Albanian prisoners in Serbian jails. A February 2001 amnesty law led to the release of many of those jailed, although about 200 persons remained imprisoned. About half of the group were common criminals, while the other half were convicted of "terrorism." Belgrade released this final group of prisoners into UNMIK's custody in March 2002.

Many analysts view the progress made in Kosovo in the past three-and-a-half years as mixed. Kosovo has had the most free and fair elections in its history, and has set up autonomous institutions. Violence against political opponents and minorities has declined, but continues to occur. Little progress has been made in returning Serb refugees to their homes, and crimes involving property and business interests continue to be a problem. Kosovo is a center for prostitution, human trafficking, drugs and weapons smuggling, money laundering, and other illegal activities. Official corruption (reportedly including UNMIK representatives in some cases) is a serious problem. International reconstruction aid has helped rebuild much

of the infrastructure destroyed in the war, but the economy is largely unreformed and suffers from low foreign investment and high unemployment (over 40%).

## **The Issue of Kosovo's Final Status**

The formation of Kosovo's elected government in March 2002 marks an important step forward in the international community's efforts to stabilize the province. However, the issue of Kosovo's final status remains unclear. U.N. Resolution 1244 reaffirmed the sovereignty and territorial integrity of the Federal Republic of Yugoslavia (FRY) and did not prescribe or prejudge a permanent political resolution to the issue of Kosovo's status. Ethnic Albanians in Kosovo strongly favor independence of the province from the FRY and its international recognition as a sovereign state as soon as possible.

Kosovo's independence is strongly opposed by the United States and other Western countries, as well as by all of Kosovo's neighbors, except Albania. They fear that an independent Kosovo could destabilize the region by encouraging separatist ethnic Albanian forces in Macedonia, as well as Serbia's Presevo Valley, where many ethnic Albanians live. Some UNMIK officials are also reportedly skeptical about the ability of the Kosovars to run their own affairs, an attitude perhaps reflected in the restricted powers given to the autonomous government by the Constitutional Framework. They say discussion about Kosovo's future should be frozen for several years in order to prevent a renewal of conflict and to allow for fledgling autonomous structures to operate and develop. According to this view, priority should be given to maintaining peace, enhancing stability and establishing conditions for refugee return and economic development.

However, some experts have expressed skepticism about the feasibility of the international community's efforts to postpone clarification of the final status issue to an indefinite future. They believe that it is unrealistic to try to ignore the clearly expressed desire of the overwhelming majority of the population of Kosovo on the issue that they see, rightly or wrongly, as most important to them. Some also believe that the uncertainty created by postponing the resolution of this issue could have a negative impact on Kosovo's political and economic stability. Indeed, some Kosovars claim that continued uncertainty over Kosovo's ultimate future has had a negative impact on such issues as rule of law, privatization and attracting foreign investment. Moreover, the international community is increasingly preoccupied with other global challenges, and may seek to move forward on the issue of a final settlement in order to begin to wind down the international peacekeeping mission in Kosovo.

In October 2000, an independent commission of experts produced a report advocating "conditional independence" for Kosovo. Under the proposal, the international community would gradually turn over full powers to the Kosovo government and recognize Kosovo as a sovereign state, if it agreed to certain conditions, which could include respecting the territorial integrity of neighboring

countries, real guarantees of democracy and minority rights, a renunciation of violence to solve internal and external disputes, and regional cooperation.<sup>2</sup>

## Serbian Views

The FRY and Serbian governments, as well as Kosovo's Serbs, are strongly opposed to Kosovo's independence. The democratic leadership in Belgrade is not pleased with the loss of effective Serbian control over the province enshrined in UNSC Res. 1244, but nevertheless calls for its strict implementation, since it supports at least nominal FRY sovereignty over the province. Serbian Deputy Prime Minister and Kosovo envoy Nebojsa Covic has met frequently with the UNMIK Special Representative Michael Steiner, and has served as a key voice for Kosovo's Serb community, which has looked to Belgrade rather than Pristina for leadership. Covic has argued that while Belgrade has cooperated on many fronts, no progress has been made with regard to refugee returns (including the return of their property), illegally imprisoned Serbs in Kosovo, or the fate of over one thousand missing or kidnaped individuals. However, Serbian leaders have had to balance their criticism of Western policy in Kosovo with their need to secure Western aid to rebuilding their economy.

Covic has floated a cantonization plan for the province. Under the plan, Serbian-majority areas of the province would be controlled by local Serb authorities, with their own police, and possibly with the deployment of Serbian police and army troops. Ethnic Albanian authorities would control the rest of the province. Such a plan would have the benefit, from Belgrade's point of view, of consolidating its control over northern Kosovo, where most Serbs in the province now live, and where important economic assets, such as the Trepca mining complex, are found. Ethnic Albanian leaders have strongly opposed the idea for these very reasons. International officials fear that cantonization could lead to the eventual partition of the province along ethnic lines, which could in turn spark renewed violence. However, before the October 2002 local elections, UNMIK Special Representative Michael Steiner has proposed opening discussions on "decentralization" of Kosovo by giving more power to local officials. The low Serb turnout in the vote may make this effort more difficult.

The issue of Kosovo's status may have become more complicated due to the impending dissolution of the Federal Republic of Yugoslavia and the establishment of a much looser relationship between Serbia and Montenegro. The two republics have reached agreement on a Constitutional Charter to govern their relations, which is expected to go into effect in early 2003. The charter describes Kosovo as part of Serbia, a provision that has been denounced by Kosovar Albanians. Kosovar Albanians claim that once the FRY no longer exists, Kosovo can no longer be considered part of it, and will be free to choose (via a referendum) independence. On the other hand, the Kosovo Serbs claim that the deal between Serbia and Montenegro, which was heavily promoted by representatives of the international community, was intended to forestall the further disintegration of states and regions

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<sup>2</sup> The report, with an September 2001 update, can be found at [<http://www.kosovocommission.org>]

in the former Yugoslavia, and demonstrated international opposition to Kosovo's independence.

## International Response

U.N. Security Council Resolution 1244 (June 10, 1999) forms the basis of the international role in Kosovo. It authorized the deployment of an international security presence in Kosovo, led by NATO, under a mission to ensure that Yugoslav forces are withdrawn from Kosovo; that the cease-fire is maintained; and that the KLA is demilitarized. The Kosovo Force (KFOR) is charged with "establishing a secure environment" for the return of refugees, the delivery of humanitarian aid, and the operation of the international civilian administration. Resolution 1244 says KFOR is to oversee the return of "hundreds, not thousands" of Yugoslav troops to Kosovo to liaise with the international presence, mark minefields, provide a "presence" at Serb historical monuments and "key border crossings." To date, no Yugoslav Army troops have returned to Kosovo for these purposes, but in March 2001, NATO approved the phased return of Yugoslav Army forces to the formerly demilitarized buffer zone between Kosovo and the rest of Serbia.

U.N. Security Council Resolution 1244 gives the U.N. mission in Kosovo (UNMIK) the chief role in administering Kosovo on a provisional basis. These duties include administration of the province; maintaining law and order, including setting up an international police force and creating local police forces; supporting humanitarian aid efforts; returning refugees to their homes; protecting human rights; supporting the reconstruction effort; preparing the way for elections; and facilitating talks on Kosovo's final status. The resolution provides for an interim period of autonomy for Kosovo for an undefined length of time, until negotiations on the final status of the province take place. It expresses support for the FRY's territorial integrity.

Bernard Kouchner of France served as the first Special Representative of the U.N. Secretary-General to oversee UNMIK until January 2001. He was replaced by Hans Haekkerup, Denmark's Defense Minister, on January 15, 2001, who resigned in December of the same year. The current head of UNMIK is Michael Steiner, a German diplomat with extensive experience in the former Yugoslavia. Charles Brayshaw of the United States is currently the Principal Deputy Special Representative.

UNMIK initially had a four-pillar structure divided into humanitarian aid, civil administration, democratic institution-building, and reconstruction. UNMIK phased out the humanitarian aid pillar in mid-2000 and added a police and justice pillar in 2001. The United Nations leads the police and justice pillar as well as the one for civil administration; the Organization for Security and Cooperation leads the institution-building pillar; and the European Union leads the reconstruction pillar.

The authorization for UNMIK automatically continues unless the Security Council decides otherwise. In his latest report to the Security Council, U.N. Secretary-General Kofi Annan highlighted the achievement of forming the Kosovo

government and called upon it to set an example of inclusion and reconciliation between Kosovo's communities. He praised the release of Kosovo Albanian detainees from Serbia and improvements in the overall security situation, but expressed concerns about increasing violence against international personnel deployed in Kosovo and the prospect for increased violence as UNMIK implements anti-crime initiatives.<sup>3</sup>

## KFOR

According to DoD and NATO sources, KFOR has about 32,000 troops in Kosovo.<sup>4</sup> The United States has about 4,200 troops in the province. The U.S. controls one of five KFOR sectors in Kosovo. Other leading contributors are Italy, Germany, France, and Britain. Each has its own sector in Kosovo. Other participating countries serve under commanders from these countries. Other countries in the U.S. sector are Greece, Lithuania, Russia, Poland and Ukraine. Russia initially deployed about 3,400 troops to KFOR, but has sharply reduced them to about 600, due partly to budgetary constraints. NATO agreed in June 2002 to cut the number of troops in KFOR by nearly one-quarter, to 32,000 by the end of 2002, and to 29,000 by the end of June 2003. The number of sectors will also be reduced. The United States will retain its sector, but the four remaining sectors will be merged into two.

KFOR's mission, in accordance with UNSC 1244, is to monitor, verify, and enforce the provisions of the Military Technical Agreement and the KLA demilitarization agreement. KFOR is also charged with establishing and maintaining a secure environment in Kosovo, including maintaining public safety and order until UNMIK can take over this responsibility more fully. KFOR has deployed a 320-man paramilitary police unit consisting of French, Italian and Estonian troops to assist in policing tasks. KFOR has also provided support to UNMIK and non-government organizations for reconstruction and humanitarian projects. KFOR successfully oversaw the pullout of Yugoslav troops from Kosovo and the implementation of the KLA demilitarization agreement. However, KFOR was not entirely successful initially in maintaining order in Kosovo, including in stopping attacks against Serbs and other minorities. KFOR troops, including U.S. soldiers, have been fired on or assaulted in numerous incidents. Scores of KFOR soldiers have been injured and several peacekeepers have been shot and killed since 1999. Other soldiers have been killed when their vehicles struck mines, including one U.S. soldier. In a May 2002 report to Congress, President Bush said KFOR had transferred full responsibility for policing duties to UNMIK and local police, except for Mitrovica.

In 2000 and 2001, U.S., Russian and other KFOR peacekeepers detained scores of men and seized substantial quantities of weaponry in an attempt to stop ethnic Albanian guerrillas from moving men and supplies into 3 mile-wide demilitarized Ground Safety Zone (GSZ) in southern Serbia, which served as a staging area for

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<sup>3</sup> Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo, S/2002/436, April 22, 2002.

<sup>4</sup> For more on the NATO and U.S. military role in Kosovo, see CRS Issue Brief IB10027, *Kosovo and Macedonia: U.S. and Allied Military Operations*. For more on KFOR, see KFOR's website at [<http://www.nato.int/kfor/welcome.html>].

guerrilla attacks against Serbian police in the Presevo valley region. On March 8, 2001, NATO agreed to the gradual elimination of the GSZ. In March through May 2001, KFOR conducted a phased return of most of the GSZ to the Yugoslav army and Serbian police forces. The ethnic Albanian guerrilla groups disbanded and several hundred surrendered to KFOR troops in Kosovo.

In addition to the problems in southern Serbia, from March to August 2001 KFOR had to deal with a guerrilla insurgency in Macedonia. On March 7, U.S. and other KFOR troops within Kosovo, in a coordinated effort with Macedonian forces in their own country, flushed guerrillas from the border town of Tanusevci. U.S. troops exchanged fire with a group of them. No U.S. troops were hurt, but two guerrillas were wounded. Angry Macedonian officials charged that KFOR has failed to stop the transport of weapons and men from Kosovo to the guerrillas over the heavily forested and mountainous border region. Hundreds of U.S. and other KFOR troops had limited success in blocking rebel supply routes in the remote and rugged border region. After the parties in Macedonia reached a peace agreement in August 2001, NATO countries sent a small force, separate from KFOR, to monitor the disarmament of the rebels and security situation in the country.

## **UNMIK Activities and Issues**

Since establishing its presence in June 1999, UNMIK representatives have issued regulations on the legislative and executive authority of UNMIK, the establishment of a customs service, use of the Deutsche Mark (now the euro) as the commonly used currency in Kosovo, small-scale lending services, and the self-government of the municipalities after the local elections. UNMIK oversees administration of public funds in Kosovo, including payments of salaries and pensions. UNMIK has also established customs controls on goods entering the province from Serbia, a practice vehemently opposed to by Kosovo's local Serb communities.<sup>5</sup>

Addressing the U.N. Security Council in April 2002, new UNMIK chief Michael Steiner outlined four priorities for the mission: consolidate the provisional institutions of self government; boost the economy through job creation and privatization; enhance the rule of law, especially through building effective police forces and the judicial system; and facilitate returns of refugees and displaced persons with an integrated and structured effort over the next two years. He emphasized that implementation of Resolution 1244 was now a joint effort between UNMIK and Kosovo's new provisional institutions of self-government.

Moreover, Steiner offered a "vision on how to finish our job," or an "exit strategy" for the international mission as it continues the process of transferring responsibilities to Kosovo's new provisional institutions. Steiner outlined a series of benchmarks of international expectations for Kosovo's institutions and society, and argued that they should be achieved before the issue of Kosovo's final status is discussed.

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<sup>5</sup> For more information on UNMIK's activities, see UNMIK's web site on the Internet at [<http://www.un.org/peace/kosovo/pages/kosovo1.htm>].

The benchmarks are:

- existence of effective, representative and functioning institutions;
- enforcement of the rule of law;
- freedom of movement;
- respect for the right of all Kosovans to remain and return;
- development of a sound basis for a market economy;
- clarity of property title;
- normalized dialogue with Belgrade;
- reduction and transformation of the Kosovo Protection Corps in line with its mandate.<sup>6</sup>

**Civil Administration (including Police and Justice).** The international civil administration component of UNMIK comprises three offices: a police commissioner, a civil affairs office, and a judicial affairs office. Tom Koenigs of Germany is Deputy Special Representative in charge of this pillar. In May 2001, UNMIK established a separate police and justice pillar to provide greater focus on these areas. Jean-Christian Cady of France currently heads the police and justice pillar.

In the absence of local institutions, UNMIK first established an integrated administrative structure with local authorities. In mid-July 1999, Special Representative Kouchner chaired the first meeting of the Kosovo Transitional Council (KTC), a broadly representative consultative body under UNMIK that includes ethnic Serb representatives. The Transitional Council would generally meet on a weekly basis. The KTC held its final meeting in October 2001, prior to the first elections for the Kosovo assembly. In December 1999, Kouchner signed an accord on establishing a new Joint Interim Administrative Structure (JIAS). The structure included an Interim Administrative Council and 19 administrative departments. The Council comprised three Albanian members, one Serb, and four UNMIK representatives. The Interim Administrative Council functioned until the establishment of the provisional institutions of self-government in early 2002.

In March 2001, UNMIK chief Haekkerup established the Working Group on the Interim Legal Framework for Provisional Self-Government, a multi-ethnic panel to propose measures to achieve provisional self-government in the province. On May 16, Haekkerup signed into law the regulation on the Constitutional Framework for Provisional Self-Government. The Framework called for the establishment of a 120-member assembly, with 20 seats guaranteed for ethnic minority communities (including 10 for the ethnic Serb community). UNMIK retains ultimate executive authority, including veto power, and exclusive authority in some areas, such as justice, customs, monetary policy, and the Kosovo Protection Corps. Human rights safeguards are prominently featured in the Framework. The Framework does not prejudice a final settlement for Kosovo and makes no reference to holding a referendum on Kosovo's status, a long-held demand of Kosovo's Albanian leaders. KFOR remains guarantor of peace and security in the province.

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<sup>6</sup> Address to the Security Council by Michael Steiner, Special Representative of the Secretary-General, UNMIK/PR719, April 24, 2002.



A key component of civil administration has been the promotion of law and order in the province. To this end, UNMIK established international and local civil police forces and new judicial bodies, which in May 2001 were re-aligned into the new police and justice pillar of UNMIK. The UNMIK police force has an authorized size of about 4,700. As April 2002, about 4,600 international police personnel from over 50 countries were deployed. UN police officers conduct patrols jointly with KFOR, and have policing authority in the Pristina and Prizren regions. The UNMIK police also work with the Kosovo Police Service (KPS) comprised of local recruits (see section on institution-building, below), which is eventually to take over law and order functions from UNMIK. UNMIK has recruited over 4,600 Kosovars (many former KLA members) for the Kosovo Protection Corps, intended for emergency and humanitarian situations rather than for providing law and order. Its maximum strength is 5,000. In June 2002, UNMIK arrested five ethnic Albanian males, reportedly including three senior officials in the Kosovo Protection Corps, for alleged involvement in crimes relating to other ethnic Albanians.

In June 1999, the U.N. Representative swore in a multi-ethnic panel of nine judges (five Albanians, three Serbs, and one Turk). The judicial panel operates under a modified version of Yugoslavia's criminal code. Over 400 judges and prosecutors had been appointed by UNMIK, mostly ethnic Albanians. There are currently 8 international judges and 6 international prosecutors appointed to serve in Kosovo. A Kosovo Supreme Court was inaugurated on December 14, 2000. As part of the new UNMIK pillar on police and justice affairs, UNMIK plans to increase the number of international judges and prosecutors. UNMIK also created a special unit to combat organized crime and sponsored in Pristina an international conference on means to counter cigarette smuggling in May 2002.

**Institution-Building.** The Organization for Security and Cooperation in Europe (OSCE), headed by Deputy Special Representative Pascal Fieschi (France) leads international institution-building efforts in Kosovo. The task of institution-building is comprised of four components: training in justice, police, and public administration (in cooperation with the Council of Europe); human rights monitoring (in cooperation with the U.N. High Commissioner on Human Rights); democratization and governance; and, organizing and supervising elections. 350 international and 1,150 local OSCE staff comprise the mission in twenty-one field offices.

Recruitment for the training academy of the Kosovo Police Service (KPS) has been a priority for the mission. In August 1999, the KPS police academy opened in Vucitrn. Several training sessions for recruits have been completed. Most of the recruits have been ethnic Albanian (many of whom were formerly members of the KLA), with about 17% from minority communities. The ultimate strength of the KPS is to reach up to 6,000 by the end of 2002. As of November 2002, the KPS had 5,300 officers, outnumbering UNMIK police for the first time. The KPS performs some independent patrols in designated areas of Kosovo.

Civil and voter registration, in preparation for the first municipal elections on October 28, 2000, began on April 28 and was completed on July 17. About 1 million voters registered. However, Kosovo's Serb and Turk communities largely boycotted the process. 28 political parties and organizations and 5,500 candidates registered

to run in 30 municipalities. Nearly 80% of eligible voters participated in the largely peaceful vote. Results in 27 municipalities certified by the OSCE on November 7 showed the LDK winning decisively with 58% of the vote. UNMIK appointed assemblies in the three non-certified (majority Serb) municipalities.

For the November 2001 general elections, 26 political parties were certified to run. U.N. Secretary-General Annan and all 15 members of the Security Council called on all communities in Kosovo, in particular the Serb and other minority groups, to participate in the upcoming vote. Although Belgrade eventually came out in favor of Serb participation in the vote after a great deal of international pressure, many local Kosovo Serb leaders continued to object to the elections. On November 17, international observers organized by OSCE and the Council of Europe judged the election to be a success and an improvement over the 2000 municipal vote. Some incidents of violence and intimidation contributed to low turnout in some Serb areas. Overall turnout dipped to 64% from 78% in the 2000 vote.

The OSCE mission in Kosovo also works to develop a democratic and independent media and promote the rule of law. A Media Advisory Board comprised of Albanian and Serb experts was created in August 1999. The OSCE established Radio-Television Kosovo (RTK) as an independent public broadcaster. With regard to human rights, OSCE personnel regularly monitor the human rights situation throughout the province. Reviews of the human rights situation have condemned the continuation of ethnic violence against non-Albanian minorities in Kosovo. The latest joint OSCE/UNHCR report on ethnic minorities (from May 2002) reported some gradual improvements in security for ethnic minorities, while noting continued problems in freedom of movement for minorities and the presence of parallel administrative structures within minority communities. In July 2000, UNMIK established an office of the ombudsman for Kosovo to investigate complaints about abuses of authority. The Kosovo Ombudsman is Marek Nowicki of Poland.<sup>7</sup> The OSCE also established a Kosovo Judicial Institute and a Kosovo Law Center to assist in promoting institutions of the rule of law in Kosovo.

**Humanitarian Aid and Refugee Returns.** At the July 28, 2000, donors' conference in Brussels (see below), participating countries pledged more than \$2 billion in humanitarian and reconstruction aid to Kosovo. Of this amount, about \$245 million was designated for emergency humanitarian needs. The humanitarian affairs pillar of UNMIK was phased out in July 2000, as the international community's focus shifted from humanitarian to development assistance. In June 2002, the U.N. World Food Program announced the completion of its humanitarian aid program in Kosovo.

The vast majority of ethnic Albanian refugees and displaced persons returned to Kosovo with remarkable speed after June 1999. Since then, several thousand more have returned or been expelled from western European countries, especially Germany and Switzerland. The arrest and detention in Serbia of hundreds of Kosovar Albanians during the Kosovo conflict became a contentious issue between Belgrade

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<sup>7</sup> For more on the OSCE mission in Kosovo, see the web site at [<http://www.osce.org/kosovo>].

and Kosovo. After Milosevic's fall from power in October 2000, UNMIK increased its appeals for the release of Kosovar Albanian prisoners in Serbia. Finally in March 2002, Serbia transferred the remaining Kosovar Albanians that had been detained in Serbian prisons.

As ethnic Albanian refugees returned to Kosovo, large numbers of ethnic Serbs and Roma (Gypsies) left the province, mainly for Serbia and Montenegro. UNHCR estimated that over 200,000 Serbs and Roma left Kosovo after the end of the NATO air strikes in June 1999.<sup>8</sup> Up to 100,000 Serbs still reside in Kosovo. A Joint Committee on Returns for Kosovo Serbs was established in May 2000 to facilitate the return of Serbs to Kosovo. However, few have been able to return because of the unstable security environment in Kosovo. Moreover, some that have returned have left again in response to attacks and/or harassment. In November 2001, UNMIK established an Office of Returns and Communities, which is preparing plans for returns to 25 locations throughout Kosovo. In May 2002, UNMIK Chief Steiner issued a Concept Paper on the issue of returns that outlined principles regarding the right of return and strategies on facilitating sustainable returns.

**Reconstruction.** A High Level Steering Group oversees the reconstruction effort in Kosovo. The group, composed of the EU, the World Bank, the G-7 finance ministers, and representatives of leading international organizations, is chaired by the EU and World Bank.

According to the EU and World Bank, from June 1999 through December 2001, donors pledged \$2.14 billion in total aid to Kosovo (of which \$1.8 billion was reconstruction aid, \$169 million was budgetary support and \$166 million was peace implementation aid). Of this amount, \$1.9 billion was obligated and \$1.46 billion was spent. According to the EU-World Bank figures, the United States pledged \$315.9 million in aid to Kosovo, obligated \$289.2 million, and spent \$244.56 million.

At a November 2002 meeting, international donors took stock of what has been achieved in Kosovo and what needs to be done. International aid and the efforts of ordinary Kosovars have resulted in progress in rebuilding housing and key physical infrastructure. Over two-thirds of the 120,000 damaged or destroyed houses have been rebuilt, electricity generation now exceeds pre-war levels, and many roads and bridges have been rebuilt. However, much reconstruction work still needs to be done. Some progress has been made in reviving Kosovo's economy. The small business sector is growing, and the situation in the agricultural sector, which employs about 40% of the population, has also improved. Nevertheless, Kosovo's economy is still very weak. Unemployment in Kosovo may be as high as 40%, according to UNMIK. Kosovo remains highly dependent on international funding, and UNMIK and Kosovo government officials are concerned about the effect on Kosovo's economy as international aid declines over the medium term. They hope to avoid a sharp contraction in assistance, at least for 2003-2004. They are seeking in particular

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<sup>8</sup> Persons (both ethnic Albanian and Serb) who have fled their homes in Kosovo are considered refugees if located outside of the FRY, and internally displaced if they remain in Kosovo or elsewhere in the FRY (including Serbia and Montenegro).

international aid to bolster education, health, transport, the energy sector, refugee return, and the rule of law, which they believe may be underfunded by the international community. UNMIK says Kosovo will need an additional \$450 million Euros (\$466 million) in international aid for the period 2003-2005.

International efforts are focused on privatization and fostering private sector growth, including by creating a legal framework and strengthening the financial sector. In April 2002, UNMIK chief Steiner announced the creation of a Kosovo Trust Agency to manage and oversee the process of privatization, which is intended to spur job creation and attract investment.<sup>9</sup>

## War Crimes

On May 27, 1999, the International Criminal Tribunal for the Former Yugoslavia (ICTY) announced the indictment of Yugoslav President Slobodan Milosevic, Serbian President Milan Milutinovic, FRY Deputy Prime Minister Nikola Sainovic, Yugoslav Army Chief of Staff Dragoljub Ojdanic, and Serbian Minister of Internal Affairs Vlatko Stojiljkovic for war crimes and crimes against humanity committed by Yugoslav and Serbian forces in Kosovo. The indictments were the first issued by the Tribunal relating to the Kosovo conflict. (These indictments were amended in June and October 2001 to add new charges related to the Kosovo conflict.) The ICTY is focusing its efforts on high-level officials. Local courts in Kosovo headed by international judges and prosecutors are trying cases against low-level accused war criminals.

On June 13, 2000, Del Ponte released a report that said that she would not indict NATO officials for alleged war crimes during NATO's air campaign. The report said that "although some mistakes were made by NATO, the Prosecutor is satisfied that there was no deliberate targeting of civilians or unlawful military targets by NATO during the campaign." On June 21, 2000, Del Ponte said her office was investigating possible KLA war crimes during the Kosovo conflict and could bring charges against top KLA officials. On March 21, 2001, Del Ponte said that she would investigate crimes against Serbs and other minorities in Kosovo since the deployment of KFOR as well as the activities of ethnic Albanian guerrillas in the Presevo valley in southern Serbia. In June and November 2002, UNMIK police arrested former KLA soldiers, including a former top commander known as Remi, for murders of ethnic Albanians during the war in Kosovo. The charges were brought by an international prosecutor in Kosovo's justice system, not by the ICTY.

Anxious to avoid a U.S. boycott of a June 29, 2001 conference of aid donors to the FRY, the Serbian government transferred Milosevic to the ICTY on June 28. Milosevic's trial for crimes committed in Kosovo began in February 2002. Several other indicted war criminals continue to live in Serbia, including Serbian President and Milosevic-era holdover Milan Milutinovic. After the FRY passed a law on cooperation with the Tribunal in April 2002, Ojdanic and Sainovic surrendered to

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<sup>9</sup> For more on the Kosovo reconstruction effort, see the joint EU-World Bank site at [<http://www.seerecon.org>] and CRS Report RL30453, *Kosovo: Reconstruction and Development Assistance*.

the Tribunal. Stojiljkovic committed suicide outside the Yugoslav parliament building. It is possible that indictments could be forthcoming against other former and serving Serbian police and FRY military officials who occupied key positions during ethnic cleansing operations in Kosovo. In a November 2001 document prepared for the trial of Milosevic, ICTY prosecutors said they were investigating the roles of Milosevic's subordinates in his crimes, including former Yugoslav Army chief Nebojsa Pavkovic and Sreten Lukic, now head of Serbia's police forces.<sup>10</sup>

## U.S. Policy

From the beginning of the conflict in Kosovo, the Clinton Administration condemned Serbian human rights abuses and called for autonomy for Kosovo within Yugoslavia, while opposing independence. The Clinton Administration pushed for air strikes against Yugoslavia when Belgrade rejected the Rambouillet accords in March 1999, but refused to consider the use of ground troops to eject Yugoslav forces from Kosovo. However, even before the air strikes, the Clinton Administration said that U.S. troops would participate in a Kosovo peace-keeping force if a peace agreement were reached. After the conflict, President Clinton said that the U.S. and NATO troop commitment to Kosovo could be reduced as local autonomous institutions took hold. He said that the United States and the European Union must work together to rebuild Kosovo and the region, but that "Europe must provide most of the resources."<sup>11</sup>

During the 2000 Presidential campaign, Condoleezza Rice, later appointed by President-elect Bush as his National Security Advisor, said that U.S. military forces are overextended globally, and that peacekeeping responsibilities in the Balkans should be taken over by U.S. allies in Europe. However, after taking office, the Administration appeared to adopt a more cautious tone. In February 2001, Secretary of State Colin Powell said that the United States had a commitment to peace in the Balkans and that NATO forces would have to remain in Bosnia and Kosovo for "years." He said the United States was reviewing U.S. troop levels in Bosnia and Kosovo with the objective of reducing them over time, but stressed that the United States would act in consultation with its allies and was not "cutting and running."

During a July 24, 2001 visit to U.S. troops in Kosovo, President Bush reiterated this position, saying that

we will not draw down our forces in Bosnia or Kosovo precipitously or unilaterally. We came in together, and we will go out together. But our goal is to hasten the day when peace is self-sustaining, when local, democratically elected authorities can assume full responsibility, and when NATO's forces can go home. This means that we must re-organize and re-energize our efforts to

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<sup>10</sup> For more on war crimes in Kosovo and the activities of the ICTY, see CRS Report RL30864, Yugoslavia war crimes tribunal: current issues for Congress, by Julie Kim, as well as the ICTY website at [<http://www.un.org/icty>]

<sup>11</sup> See also CRS Report RL30374, *Kosovo: Lessons Learned from Operation Allied Force*.

build civil institutions and promote rule of law. It also means that we must step up our efforts to transfer responsibilities for public security from combat forces to specialized units, international police, and ultimately local authorities. NATO's commitment to the peace of this region is enduring, but the stationing of our forces here should not be indefinite.

The September 11 terrorist attacks in the United States reinforced the Administration's desire to decrease the U.S. deployment in the Balkans by turning more responsibility over to the Europeans. In October 2001, the Administration informed U.S. allies in NATO that some U.S. forces may have to be withdrawn from the Balkans to take part in the war on terrorism, and asked European countries to make up any shortfalls. The Europeans reportedly agreed to the request. So far, a dramatic decrease in the U.S. deployment has not occurred. However, in part due to U.S. urging, NATO agreed in June 2002 to cut the number of troops in KFOR from 38,000 currently to 32,000 by the end of 2002, and to 29,000 by the end of June 2003. The United States is expected to share proportionately in this reduction of nearly 25% of overall troop levels. This would translate into a withdrawal of about 1,300 troops of its force of 5,500. Since September 11, the Administration has also stressed the need to make sure the region does not become a haven for terrorists.

In 2001, the United States condemned the ethnic Albanian guerrillas in Macedonia as a threat to peace and stability in the region. On June 27, 2001, President Bush issued an Executive Order prohibiting Americans from "transferring, paying, exporting, withdrawing or otherwise dealing in the property or interests in property of persons involved in violent and obstructionist actions" in the Balkans. Bush also barred entry to the United States of those "who actively obstruct implementation of the Dayton Peace Accords or UN Security Council Resolution 1244 and who otherwise seek to undermine peace and stability in the region" or "who are responsible for wartime atrocities committed in the region since 1991." The order lists 35 persons and organizations covered by the restrictions, including the leaders of ethnic Albanian guerrilla groups in Macedonia and southern Serbia, as well as persons and groups in Kosovo supporting them.<sup>12</sup>

During his visit to Kosovo, President Bush warned that "those here in Kosovo who support the insurgency in Macedonia are hurting the interests of ethnic Albanians throughout the region. The people of Kosovo should focus on Kosovo. They need to concentrate on developing civil institutions that work and a political climate that supports and sustains democracy, the rule of law, ethnic tolerance, and cooperation with neighbors." The United States pushed for the signature and implementation of the Macedonian peace agreement adopted in August 2001. The United States has provided logistical and other support, but no troops, to a NATO-led force in Macedonia that is monitoring the implementation of the peace agreement. The Administration also strongly supported plans by the European Union to take over the Macedonia mission by the end of 2002.

U.S. officials welcomed the successful completion of Kosovo's first general election on November 17, 2001. They praised the free and fair character and the

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<sup>12</sup> For the text of the Executive Order, see the web site of the Treasury Department's Office of Foreign Assets Control at [<http://www.treas.gov/ofac/>].)

inclusion of Kosovo's Serbs and other minorities in the vote. The Administration has emphasized, however, that the new provisional institutions in Kosovo will not have the authority to make decisions on Kosovo's final status. The Bush Administration opposes independence for Kosovo.

According to the Department of Defense Comptroller's Office, DoD incremental costs for Kosovo through the end of June 2001 were \$5.87 billion. This figure included \$1.89 billion for the 1999 NATO air war, \$3.78 billion for KFOR, \$141.6 million in refugee aid, \$34.6 million for the OSCE observer mission before the war, and \$20.3 million for the pre-war aerial verification mission. In FY1999, the United States provided \$333.7 million in reconstruction, humanitarian and other aid to Kosovo. In FY2000, the United States provided \$178 million in aid to Kosovo, \$149.67 million in FY2001, and planned to spend \$118 million in FY 2002. The Administration's FY2003 budget proposed \$85 million in aid to Kosovo. Since 1999, U.S. aid has shifted away from humanitarian and reconstruction aid toward assistance aimed at democratization, the rule of law and establishing a free market economy.

## Congressional Response

In 1999, the 106<sup>th</sup> Congress debated whether U.S. and NATO air strikes in Kosovo were in the U.S. national interest, and whether the President could undertake them without congressional approval. In the end, Congress neither explicitly approved nor blocked the air strikes, but appropriated funds for the air campaign and the U.S. peacekeeping deployment in Kosovo after the fact. In 2000, some Members unsuccessfully attempted to condition the U.S. military deployment in Kosovo on Congressional approval and on the implementation of aid pledges made by European countries. Many Members of Congress said that they expected U.S. allies in Europe to contribute the lion's share of aid to the region and expressed concern that European countries were slow to implement their aid pledges. Congress moved to limit U.S. aid to Kosovo to 15% of the total amount pledged by all countries.<sup>13</sup>

The 107<sup>th</sup> Congress focused on limiting the cost of the continuing U.S. engagement in Kosovo. The FY 2002 foreign aid appropriations law (P.L. 107-115) provides \$621 million in aid for central and eastern Europe under the Support for East European Democracy (SEED) program, but no earmark for Kosovo. The bill says that aid to Kosovo "should not exceed 15 percent of the total resources pledged by all donors for calendar year 2002 for assistance for Kosovo as of March 31, 2002." The bill also bars U.S. aid for "large scale physical infrastructure reconstruction" in Kosovo. The FY 2002 defense authorization law (P.L. 107-107) limited funding for U.S. peacekeeping troops to \$1.5286 billion. The President may waive this provision if he certifies that the waiver is in the national security interest of the United States and that it will not adversely affect the readiness of U.S. forces. The President must submit a report on these issues as well as a supplemental appropriations request.

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<sup>13</sup> For detailed information on the activities of the 106<sup>th</sup> Congress, see CRS Report RL30729, *Kosovo and the 106<sup>th</sup> Congress*, November 6, 2000.

The 107<sup>th</sup> Congress did not pass FY 2003 foreign operations legislation before adjourning. Current operations are funded by a continuing resolution. However, a FY 2003 foreign operations appropriations bill (H.R. 5410), approved by the House Appropriations Committee on September 19, 2002, contains a provision limiting U.S. aid to Kosovo to 15% of the amount pledged by all contributors. A FY 2003 Foreign Operations bill (S. 2779) passed by the Senate Appropriations Committee on July 24, 2002 contained the same provision. It also contained language deducting an amount from U.S. aid to Serbia equal to the amount of assistance provided by the FRY to “parallel” security structures in Kosovo and earmarking \$2 million for training programs for Kosovar women.